



ECHO RESOURCES LIMITED

ACN 108 513 113

NOTICE OF GENERAL MEETING

TIME: 11.00am

DATE: 10 June 2019

PLACE: The Celtic Club, 48 Ord Street, West Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9389 8726.

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IMPORTANT INFORMATION

Time and place of meeting

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am (WST) on 10 June 2019 at:

The Celtic Club, 48 Ord Street, West Perth, Western Australia.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11.00am (WST) on 8 June 2019.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- A. each member has a right to appoint a proxy;
- B. the proxy need not be a member of the Company; and
- C. a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.



Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- A. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- B. if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- C. if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- D. if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- A. an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- B. the appointed proxy is not the chair of the meeting; and
- C. at the meeting, a poll is duly demanded on the resolution; and
- D. either of the following applies:
 - (a) the proxy is not recorded as attending the meeting;
 - (b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

Agenda

1. Resolution 1 – Grant of Performance Rights to related party, Mr Victor Rajasooriar

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to grant 6,000,000 Performance Rights to Mr Victor Rajasooriar (or his nominee) on the terms and conditions set out in the Explanatory Statement.”



Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by any director who is eligible to participate in the Scheme or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Ratification of Placement

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 36,363,637 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Ratification of Placement – Tranche 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 87,281,047 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



4. Resolution 4 – Approval for Placement – Tranche 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 28,103,568 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who may obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 7 May 2019

BY ORDER OF THE BOARD

Kate Stoney
Company Secretary



EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. Resolution 1 – Grant of Performance Rights to related party Mr Victor Rajasooriar

1.1 General

On 22 November 2018, the Company announced the appointment of Mr Victor Rajasooriar as a director and the Chief Executive Officer of the Company.

The Company has agreed, subject to obtaining Shareholder approval, to grant 6,000,000 Performance Rights to Mr Victor Rajasooriar on the terms and conditions summarised below and in Schedule 2 of this Notice (**Related Party Performance Rights**).

The Related Party Performance Rights are being offered and will be granted under the Echo Resources Limited Incentive Performance Rights Scheme (**Scheme**).

Please refer to Schedule 1 for a summary of the terms of the Scheme.

Resolution 1 seeks Shareholder approval for the grant of the Related Party Performance Rights to Mr Victor Rajasooriar (or his nominee).

1.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Performance Rights constitutes giving a financial benefit and Mr Victor Rajasooriar is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Victor Rajasooriar who has a material personal interests in Resolution 1) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Performance Rights because:

- (a) the agreement to grant the Related Party Performance Rights was negotiated on arm's length terms; and



- (b) the Related Party Performance Rights are considered reasonable remuneration having regard to the circumstances of the Company and the position held by Mr Victor Rajasooriar.

Accordingly, the Company considers the proposed grant of the Related Party Performance Rights to Mr Victor Rajasooriar will fall within the “arms’ length” and “reasonable remuneration” exceptions set out in sections 210 and 211 of the Corporations Act respectively so that member approval is not required for the purposes of Chapter 2E of the Corporations Act.

1.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX’s opinion, such that approval should be obtained.

As the grant of the Related Party Performance Rights under Resolution 1 involves the grant of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

1.4 Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to Resolution 1:

- (a) the Related Party Performance Rights will be granted to Mr Victor Rajasooriar, a Director of the Company;
- (b) the maximum number of Related Party Performance Rights to be granted is 6,000,000;
- (c) the Related Party Performance Rights will be issued for nil cash consideration, accordingly no funds will be raised;
- (d) no one referred to in ASX Listing Rule 10.14 has received securities under the Scheme since the Scheme was last approved by Shareholders;
- (e) the Related Party Performance Rights will be granted no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Related Party Performance Rights will occur on the same date;
- (f) the persons who may be entitled to participate in the Scheme are the directors, employees and consultants of the Company or its subsidiaries – see Schedule 1 for further details. The current directors of the Company, namely Messrs Victor Rajasooriar, Barry Bolitho, Mark Hanlon, Anthony McIntosh and Robin Dean, are eligible to participate;
- (g) no loan is being provided in respect of the proposed grant of the Related Party Performance Rights; and
- (h) a summary of the terms and conditions of the Related Party Performance Rights are set out in Schedule 2.



Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Performance Rights as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the grant of Related Party Performance Rights to Mr Victor Rajasooriar will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

1.5 Sections 200B and 200E of the Corporations Act

Mr Victor Rajasooriar occupies a managerial or executive office with the Company within the meaning of section 200AA of the Corporations Act.

Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required for the giving of benefits to a person occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office. The term 'benefits' is widely defined and may include the early vesting or acceleration of Performance Rights or waiver of exercise or forfeiture conditions or performance hurdles.

The Scheme, and the terms and conditions of grant of Performance Rights under the Scheme to Mr Victor Rajasooriar (or his nominee), contain a number of provisions which may operate to entitle Mr Victor Rajasooriar (or their Nominees) to an early vesting of Performance Rights earlier and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. Some of the relevant provisions in the Scheme (or terms and conditions) are subject to the Board exercising their discretion to allow such exercise (whether by waiving conditions of exercise or extending the period for exercise or otherwise).

Accordingly, the retirement benefit that may be given under the Scheme is waiver of exercise conditions, performance hurdles or other conditions or early vesting of Performance Rights in certain circumstances (or extension of time to vest Performance Rights) including upon termination of employment or office with the Company due to resignation, redundancy, retirement, permanent incapacity or death or where a takeover bid is made for the Shares in the Company.

The value of any such benefits which may be given to Mr Victor Rajasooriar cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the number of Performance Rights held by the participant;
- (b) the number of Performance Rights that vest early;
- (c) the price of Shares on the ASX on the date of calculation;
- (d) the status of any vesting conditions or other conditions for the Performance Rights at the time of ceasing to hold a managerial or executive office with the Company; and
- (e) the participant's length of service and reasons for ceasing to hold a managerial or executive office with the Company.

The Company has obtained an independent valuation of the Performance Rights prior to the issue of this Notice of Meeting which valued the Performance Rights at \$796,000 on 3 May 2019.

Shareholder approval is sought under section 200E of the Corporations Act to the



giving of any benefit to Mr Victor Rajasooriar (or his nominee) in connection with their future cessation of office or position with the Company under the terms of the Scheme (or terms and conditions of grant) in relation to the Performance Rights, including as a result of any future exercise of a discretion by the Board under the terms of the Scheme or the terms and conditions of the Performance Rights.

Mr Victor Rajasooriar has advised that he has no current intention to resign from his position with the Company.

1.6 Further Details relating to the Financial Benefit

Shareholders should note the further details as set out below relating to the financial benefit being provided to Mr Victor Rajasooriar:

- (a) Mr Victor Rajasooriar currently has a relevant interest in 400,000 fully paid ordinary shares;
- (b) if the Performance Rights which are proposed to be issued pursuant to Resolution 1 is exercised, a total of 6,000,000 Shares would be issued. This will increase the number of Shares on issue (on an undiluted basis, as at the date of this Notice of Meeting) from 638,223,419 to 644,223,419 (assuming no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 0.93%;
- (c) the remuneration and emoluments from the Company to Mr Victor Rajasooriar for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Victor Rajasooriar	\$360,000	N/A

- (d) the trading history of the Shares on the ASX in the 12 months before the date of this Notice is as follows:
 - (i) at the time of preparing this Notice of General Meeting, the closing price of the Company's shares on the ASX was \$0.14 on 6 May 2019; and
 - (ii) the price of the Company's shares quoted on the ASX over the past 12 months has ranged from a high of 27.8 cents on 12 June 2018 to a low of 9.9 cents on 13 November 2018; and
- (e) the primary purpose of the grant of the Performance Rights to Mr Victor Rajasooriar is to provide a performance linked incentive component in the remuneration package for Mr Victor Rajasooriar to motivate and reward the performance of Mr Victor Rajasooriar as a Director.



2. Resolution 2 – Ratification of Placement

2.1 General

On 18 December 2018, the Company issued 36,363,637 Shares at an issue price of \$0.11 per Share to raise approximately \$4,000,000.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 36,363,637 Shares were issued;
- (b) the issue price was \$0.11 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Northern Star Resources Limited and MACA Limited. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were and are being used for pre-development funding, working capital and exploration.

3. Resolution 3 – Ratification of Placement – Tranche 1

3.1 General

On or about 10 May 2019, the Company issued 87,281,047 Shares at an issue price of \$0.13 per Share to raise \$11,346,536.11 before costs.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).



ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that, where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 87,281,047 Shares were issued;
- (b) the issue price was \$0.13 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors, largely comprising clients of Canaccord Genuity (Australia) Ltd and Euroz Securities Limited. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue are to be used to advance the Company's exploration strategy and working capital, as detailed in the Company's ASX announcement dated 2 May 2019.

4. Resolution 4 – Approval of Placement – Tranche 2

4.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 28,103,568 Shares at an issue price of \$0.13 per Share to raise up to \$3,653,463 (**Placement**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:



- (a) the maximum number of Shares to be issued is 28,103,568;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur [on the same date/progressively];
- (c) the issue price will be \$0.13 per Share;
- (d) the Shares will be issued to sophisticated and professional investors, largely comprising clients of Canaccord Genuity (Australia) Ltd and Euroz Securities Limited. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards advance the Company's exploration strategy and working capital, as detailed in the Company's ASX announcement dated 2 May 2019.

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out above are issued, the number of Shares on issue would increase from 638,223,419 (being the number of Shares on issue as at the date of this Notice) to 666,326,987 and the shareholding of existing Shareholders would be diluted by 4.2%.



GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- A. a spouse or child of the member;
- B. a child of the member's spouse;
- C. a dependent of the member's spouse;
- D. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- E. a company the member controls; or
- F. a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Echo Resources Limited (ACN 108 513 113).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by this Notice.

Group Company means the Company or an Associated Body Corporate, or any combination of them, as the context requires.

Key Management Personnel has the same meaning as in the accounting standards (as that term is defined in the Corporations Act) and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, directly or indirectly, including any director (whether executive or non-executive) of the Company or if the Company is part of a consolidated entity of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.



Performance Right means performance rights granted under the Scheme.

Proxy Form means the proxy form accompanying the Notice.

Related Party Performance Right means a Performance Right granted pursuant to Resolution 1.

Resolutions means the resolutions in the Notice, or any one of them, as the context requires.

Scheme means the Echo Resources Limited Incentive Performance Rights Scheme.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.



Schedule 1 – Summary of the Terms and Conditions of the Incentive Performance Rights Scheme

A. Offers

The Board may from time to time make an offer of Performance Rights to an eligible participant under the Scheme. The offer will specify:

- (a) the number of Performance Rights offered;
- (b) the vesting conditions or restriction conditions attaching to the Performance Rights;
- (c) the period during which the offer must be accepted; and
- (d) any other terms and conditions applicable to the offer.

B. Eligibility

The following persons are eligible to participate in the Scheme:

- (a) directors of any Group Company;
- (b) full or part time employees of any Group Company;
- (c) casual employees of any Group Company working, or reasonably expected to work, approximately 40% or more of a comparable full-time position;
- (d) contractors of any Group Company where the individual performing the work is working, or reasonably expected to work, approximately 40% or more of a comparable full-time position; and
- (e) a person who is to become one of the above.

Subject to Board approval, an offer may be renounced by an Eligible Participant in favour of immediate family members, a company whose shareholders comprise only the eligible participant or immediate family members, or a corporate trustee of a self-managed superannuation fund in which the eligible participant is a director of the trustee.

C. Conditions

The Board may impose conditions to the vesting of a Performance Right, or restrictions to the trading or disposal of Shares issued upon vesting of a Performance Right, which conditions must be set out in the relevant offer document. The Board may, in its discretion, waive any such Conditions by notice in writing to the relevant participant.

D. General terms of Performance Rights

- (a) **(Grant Price)**: Performance Rights will be granted for nil consideration.
- (b) **(Non-transferable)**: Performance Rights are non-transferable. However, upon the death of the participant the Performance Rights may be transferred to their legal representative.
- (c) **(Quotation)**: The Performance Rights will not be quoted on the ASX. However, the Company will apply for quotation of Shares issued upon vesting of Performance Rights.
- (d) **(Rights attaching to Shares)**: Shares issued upon vesting of Performance Rights will rank equally with fully paid ordinary shares in the capital of the Company subject to any restriction conditions specified in the offer for the Performance Rights.



- (e) **(Reorganisation of Capital):** If at any time the capital of the Company is reorganised, the terms and number of the Performance Rights may be changed by the Company in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (f) **(Overriding restrictions):** No Performance Right may be offered, granted or vested and no Share may be issued on exercise of any Performance Right if to do so would contravene the ASX Listing Rules or any other applicable law.

E. Lapsing of Performance Rights

Unvested Performance Rights will generally lapse on the relevant expiry date. However, Performance Rights will also lapse earlier:

- (a) if the eligible participant ceases to be an eligible participant where the relevant Group company has terminated their engagement for cause;
- (b) if the eligible participant ceases to be an eligible participant (other than termination of engagement by the Company for cause), on the date 30 days later or such longer period as determined by the Board;
- (c) if the eligible participant ceases to be an eligible participant due to their death, retirement or they suffer total and permanent disability or are made redundant, on the earlier of 3 months (if the Performance Rights are unconditional, otherwise 6 months) from that event or the relevant Performance Right expiry date;
- (d) if the Performance Rights holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber a Performance Right or hedge an Performance Right in a manner not permitted by the Scheme; or
- (e) by notice from the Board if the eligible participant acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct or causes a material adverse effect on the Company's reputation.

F. Plan Limit

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on vesting of Performance Rights offered under the offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by ASIC Class Order 14/1000, or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

G. Administration of the Scheme

The Board may appoint a committee for the administration and management of the Scheme. The decision of the Board as to the interpretation, effect or application of the Scheme will be final.



Schedule 2 – Summary of Performance Rights terms

A. General

Mr Victor Rajasooriar (or his nominee) is to be offered 6,000,000 Performance Rights in 3 tranches as follows:

- (a) 3,000,000 Performance Rights each of which will vest and entitle the holder (subject to exercise) to a fully paid ordinary Share upon satisfaction of the following conditions:
 - (i) the Company increasing its Ore Reserves to at least 1 million ounces of gold within 24 months of the date of grant of the Performance Rights;
 - (ii) subject to the terms of Mr Rajasooriar's executive services agreement and the Scheme, the Performance Rights will not vest before 31 December 2019; and
 - (iii) Mr Victor Rajasooriar being employed as Chief Executive Officer of the Company at the time conditions (i) and (ii) above are satisfied;
- (b) 2,000,000 Performance Rights each of which will vest and entitle the holder (subject to exercise) to a fully paid ordinary Share upon satisfaction of the following conditions:
 - (i) the Company completing a feasibility study with a minimum 6 year life of mine with a pre-tax NPV (using a discounted cash rate of 8% pa) \geq \$200M and an AISC \leq \$1,200 an ounce, within 36 months of the date of grant of the Performance Rights;
 - (ii) subject to the terms of Mr Rajasooriar's executive services agreement and to the Scheme, the Performance Rights will not vest before 31 December 2020; and
 - (iii) Mr Victor Rajasooriar being employed as Chief Executive Officer of the Company at the time conditions (i) and (ii) above are satisfied; and
- (c) 1,000,000 Performance Rights each of which will vest and entitle the holder (subject to exercise) to a fully paid ordinary Share upon satisfaction of the following conditions:
 - (i) upon the Company having both a market capitalization of \geq \$250 million, and a Share price of at least \$0.35 per Share, both based on a 10-day volume weighted average market price of Shares, within 48 months of the date of grant of the Performance Rights;
 - (ii) subject to the terms of Mr Rajasooriar's executive services agreement and to the Scheme, the Performance Rights will not vest before 31 December 2021; and
 - (iii) Mr Victor Rajasooriar being employed as Chief Executive Officer of the Company at the time conditions (i) and (ii) above are satisfied.

B. If, after the grant of the Performance Rights and before the Expiry Date, there is a Change of Control (as defined in the Scheme), any unvested Performance Rights will vest immediately and be capable of being exercised subject to obtaining Shareholders approval under section 200E of the Corporations Act if required.

C. The above Performance Rights will expire at 5.00 pm Western Standard Time on the date 4 years after the date of grant (**Expiry Date**) (although the Performance Rights may lapse earlier



than this date in accordance with the terms of the Scheme).

D. Lapse of Performance Rights

Each Performance Right entitles the Holder to subscribe for one Share on exercise of the Performance Right subject to any vesting conditions.

Unvested Performance Rights will generally lapse on the relevant expiry date. However, Performance Rights will also lapse earlier:

- (a) if the eligible participant ceases to be an eligible participant where the relevant Group company has terminated their engagement for cause;
- (b) if the eligible participant ceases to be an eligible participant (other than termination of engagement by the Company for cause), on the date 30 days later or such longer period as determined by the Board;
- (c) if the eligible participant ceases to be an eligible participant due to their death, retirement or they suffer total and permanent disability or are made redundant, on the earlier of 3 months (if the Performance Rights are unconditional, otherwise 6 months) from that event or the relevant Performance Right expiry date;
- (d) if the Performance Rights holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber a Performance Right or hedge an Performance Right in a manner not permitted by the Scheme; or
- (e) by notice from the Board if the eligible participant acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct or causes a material adverse effect on the Company's reputation.

E. Performance Rights Issued under the Company's Incentive Performance Rights Scheme

The Performance Rights are issued under, and are subject to, the Company's Incentive Performance Rights Scheme. Terms and expressions defined in the Scheme will bear the same meaning in these terms and conditions, unless the context otherwise requires.

F. Notice of exercise

Performance Rights may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company.

G. Allotment of Shares

All Shares allotted upon the exercise of Performance Rights will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares, and, in particular, entitle their holders to participate fully in:

- (a) dividends declared by the Company after the date of allotment; and
- (b) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of allotment of Shares allotted upon the exercise of Performance Rights.

H. Quotation on ASX

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Performance Rights not later than 10 Business Days after the date of allotment.

The Company will not apply to have the Performance Rights granted under the Scheme



quoted on ASX or any other stock exchange and the Performance Rights will not be quoted on ASX or any other stock Exchange.

I. New issues

There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Rights prior to the relevant record date.

J. Rights Issues and Bonus issues

A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

K. Reorganisation of capital

If at any time the capital of the Company is reorganised, the terms and number of the Performance Rights may be changed by the Company in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

L. Restrictions

A Performance Right is not transferable, assignable or able to be otherwise disposed or encumbered subject to the terms of the Scheme.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2019 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Echo Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY



The Chairman of
the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at **The Celtic Club, 48 Ord Street, West Perth, Western Australia on 10 June 2019 at 11.00am (WST)** and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Agenda Items

		For	Against	Abstain*
1	Grant of Performance Rights to related party, Mr Victor Rajasooriar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of Placement – Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval for Placement – Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if he is appointed by default) but do not direct him how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chairman may vote as he sees fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00 am (WST) on 08 June 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033